

EW/Sec/2019/59

February 26, 2019

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.

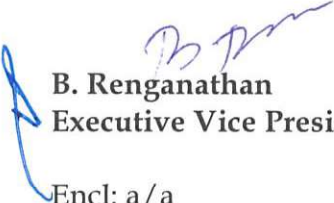
Dear Sirs,

Ref.:- Symbol: EDELWEISS

Sub: Investor Presentation

Please find enclosed the Investor Presentation for your information and record.

Thanking you,
For Edelweiss Financial Services Limited



B. Renganathan
Executive Vice President & Company Secretary

Encl: a/a



Edelweiss Financial Services Limited

Feb 14, 2019

We started Edelweiss in 1996..

A graphic of a spiral-bound calendar. The top of the calendar is a red band with eight silver rings. Below the band is a white page with the year 1996 and three lines of text.

1996

Big Aspirations, Limited Capital!

Only INR 10 million net-worth

Worked on fund-raising for companies

Edelweiss Group today..



Current net worth of ~INR 8,800 cr

Asset Base of ~INR 56,000 crore

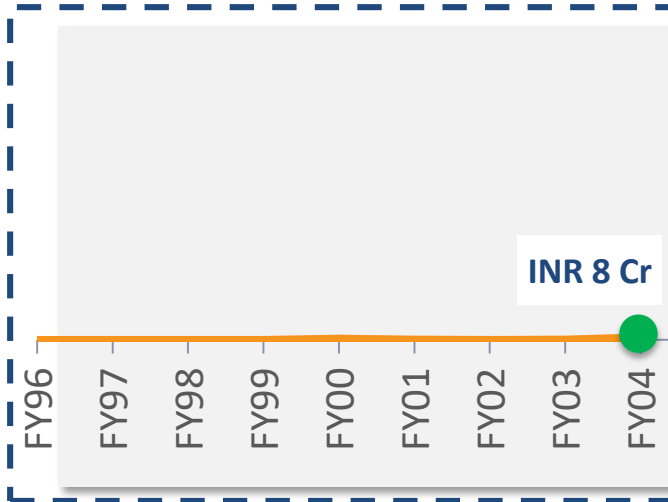
Servicing nearly 12,00,000 clients

Over 11,000 employees spread over 450 offices globally

Journey So Far: Our First 8 Years



Profit after Tax

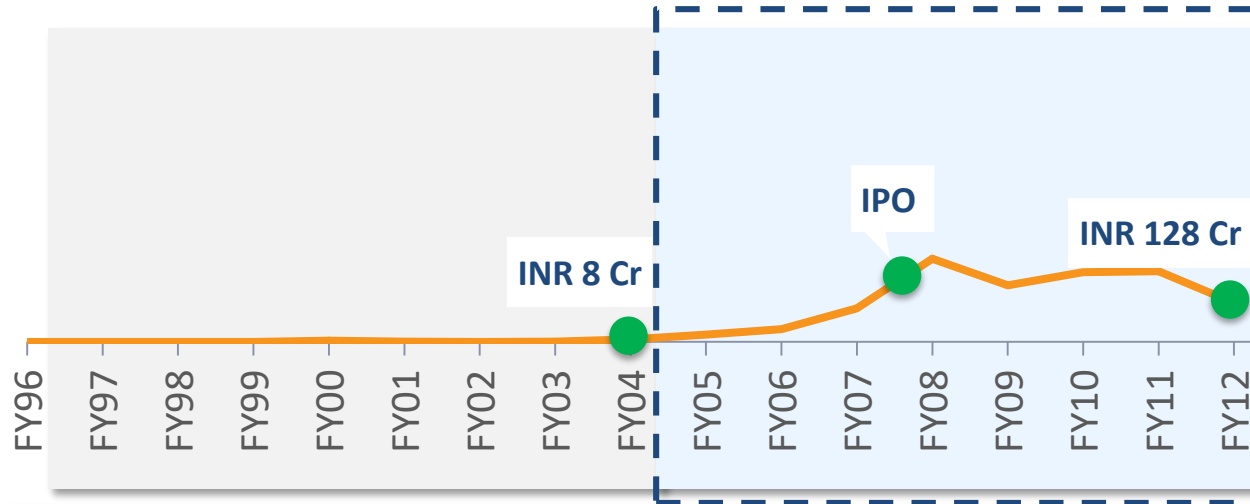


- Foundation of Edelweiss as an Investment bank in 1996 with a capital base of INR 1 Cr and 4 employees
- Expanded into Broking business in 2000
- Grew to a 100-employee company in FY04

The Next 8 Years: Counter-Cyclical Diversification



Profit after Tax



Continued to build businesses with high quality talent

- Seeded and nurtured diversification through
 - Corporate Loans, Home Loans and SME Loans
 - Asset & Wealth Management
 - Life Insurance
- Set up our philanthropic foundation – EdelGive

The Current 8 years: Steady and Stable growth



Profit after Tax



- Focus is on scaling up existing businesses in a stable and calibrated manner to achieve scale efficiencies
- Strong governance and risk management structures created to aid expansion
- Capital base of INR 8,800 Cr and more than 11,000 employees

In our journey, there are a few key things we have focused on..



1

Diversified Bank-like business model

5

Strengthening Balance Sheet

2

Long-term Consistency

6

Risk Management

3

Capital Lightness

7

ESG

4

Retailisation

8

Organization Building

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Organization Building

We have consciously focused on building a Diversified Financial Services Company



Credit

- Retail Credit
- Corporate Credit
- Distressed Credit

Franchise & Advisory

- Wealth Management
- Asset Management
- Capital Markets

Insurance

- Life Insurance
- General Insurance



Bank-like business model

Multiple vectors of growth

Consistent growth and profitability

Reduction in volatility

Growth aligned with market tailwinds

Career opportunities and retention of management

This has helped us build a good mix of Own and Customer Assets



As on 31 st Dec'18 (rounded off to nearest 100)	INR Cr	YoY Growth
Balance Sheet Assets	55,800	14%
Customer Assets	1,91,600	19%
<i>Distressed Credit (ARC Assets)</i>	<i>38,200</i>	<i>(1%)</i>
<i>Assets Under Advice (Wealth Management)</i>	<i>1,00,300</i>	<i>18%</i>
<i>Funds under Management (Asset Management)</i>	<i>35,300</i>	<i>36%</i>
<i>Assets under Custody & Clearing</i>	<i>17,800</i>	<i>49%</i>
Total Assets	2,47,400	18%

ARC assets fall due to resolutions and recoveries

As a result, our profit is well-distributed across our businesses



Business Segments	9MFY19 Pre MI PAT (INR Cr)	% Contribution
Credit Business		
<i>Retail Mortgage</i>	73	7%
<i>LAS, SME, Agri and Business Loans</i>	99	10%
<i>Structured Collateralised Credit</i>	179	17%
<i>Wholesale Mortgage</i>	232	22%
<i>Distressed Credit</i>	293	28%
Franchise & Advisory Business		
<i>Wealth Management & Asset Management</i>	177	17%
<i>Capital Markets</i>	55	5%
BMU, Corporate and Others	(68)	(6%)
Total Ex- Insurance	1,040	100%

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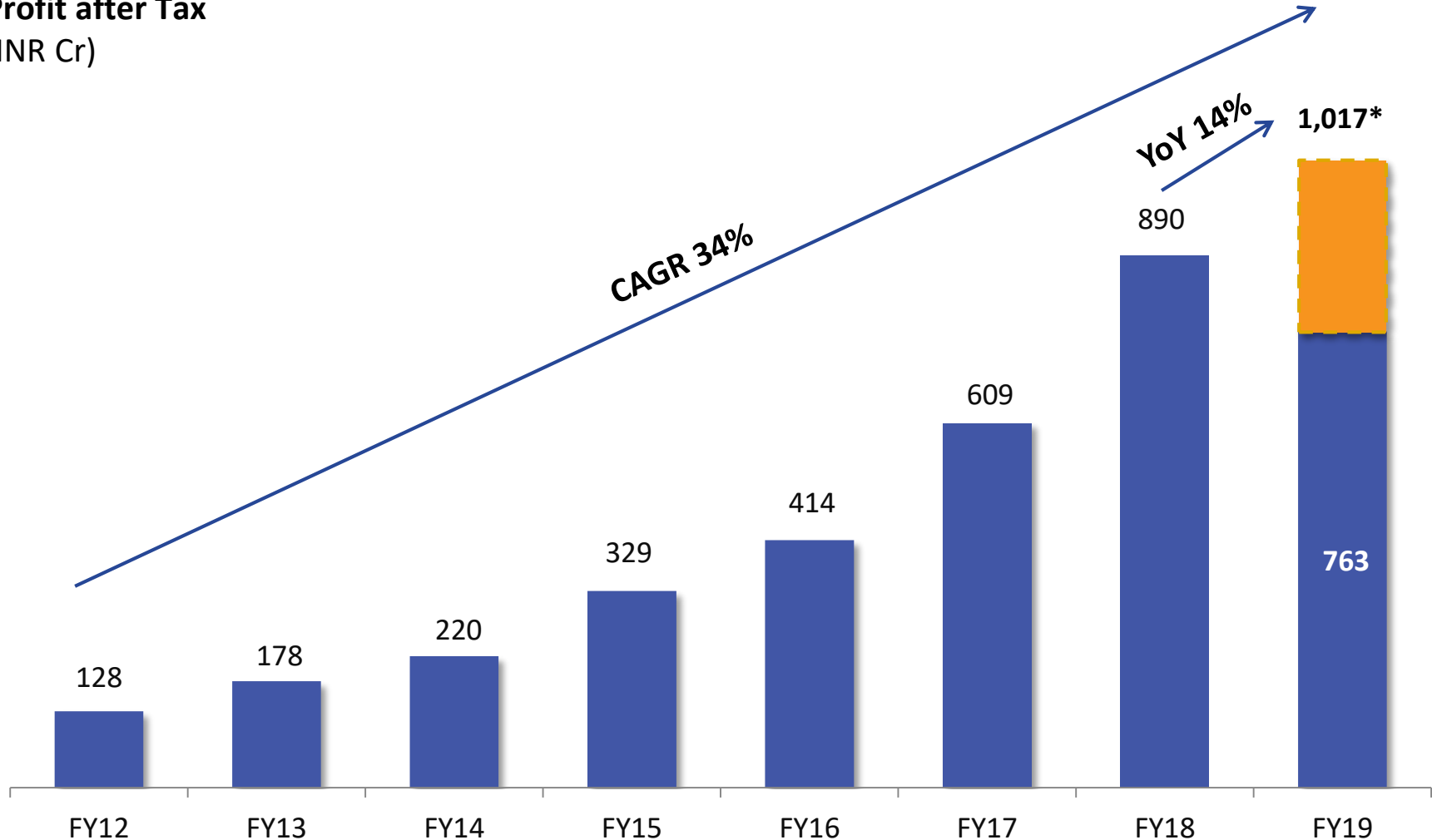
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Organization Building

We have focused on long-term growth stability despite any short-term volatility



Profit after Tax
(INR Cr)



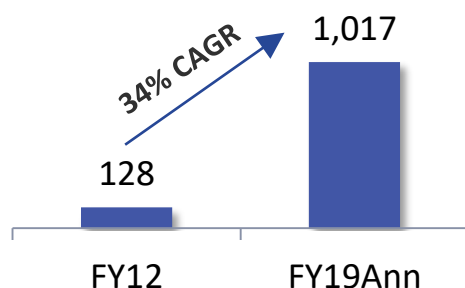
*Annualised; Numbers for FY19 are as per IndAS and for prior periods as per IGAAP

This has helped us build a strong, capital-efficient franchise over the last few years

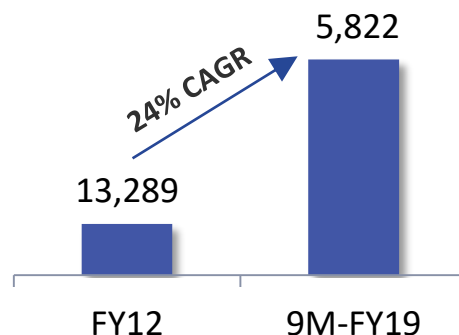


INR Cr

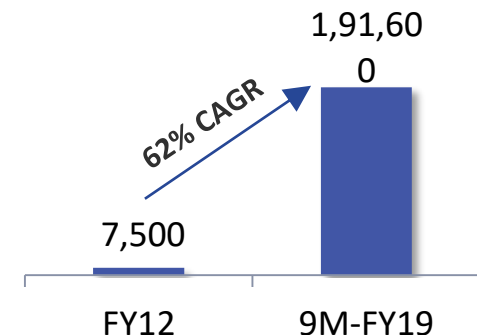
PAT Consolidated



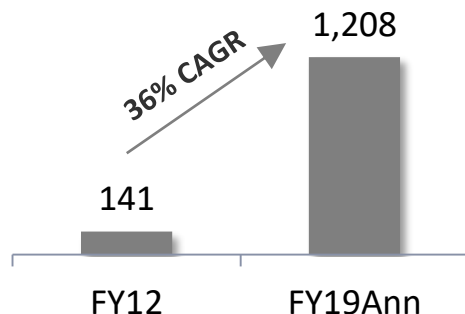
Balance Sheet Assets



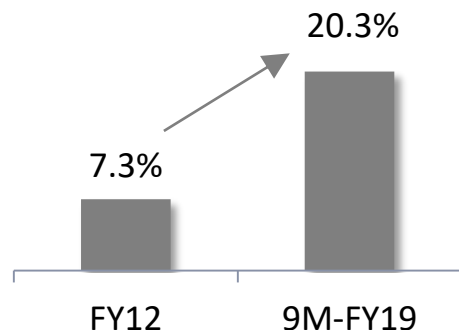
Customer Assets



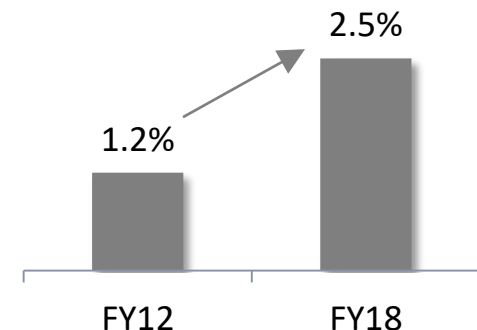
PAT Ex-Insurance



RoE Ex-Insurance %



RoA Ex-Insurance



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Organization Building

We have focused on establishing dominance in capital-light businesses



Early identification of niches of low competitive intensity

Special focus on on capital-light businesses which thrive on people and platform

Investment in initial years now return asymmetric payoffs

We are now market leaders in most of these businesses



**Market Leader in
Distressed Credit**



**Market Leaders in
Private Debt**

ALTERNATIVE ASSET ADVISORS

**Third largest wealth
manager in the country**



**Leading domestic
brokerage**

INVESTMENT & ADVISORY

CAPITAL MARKETS

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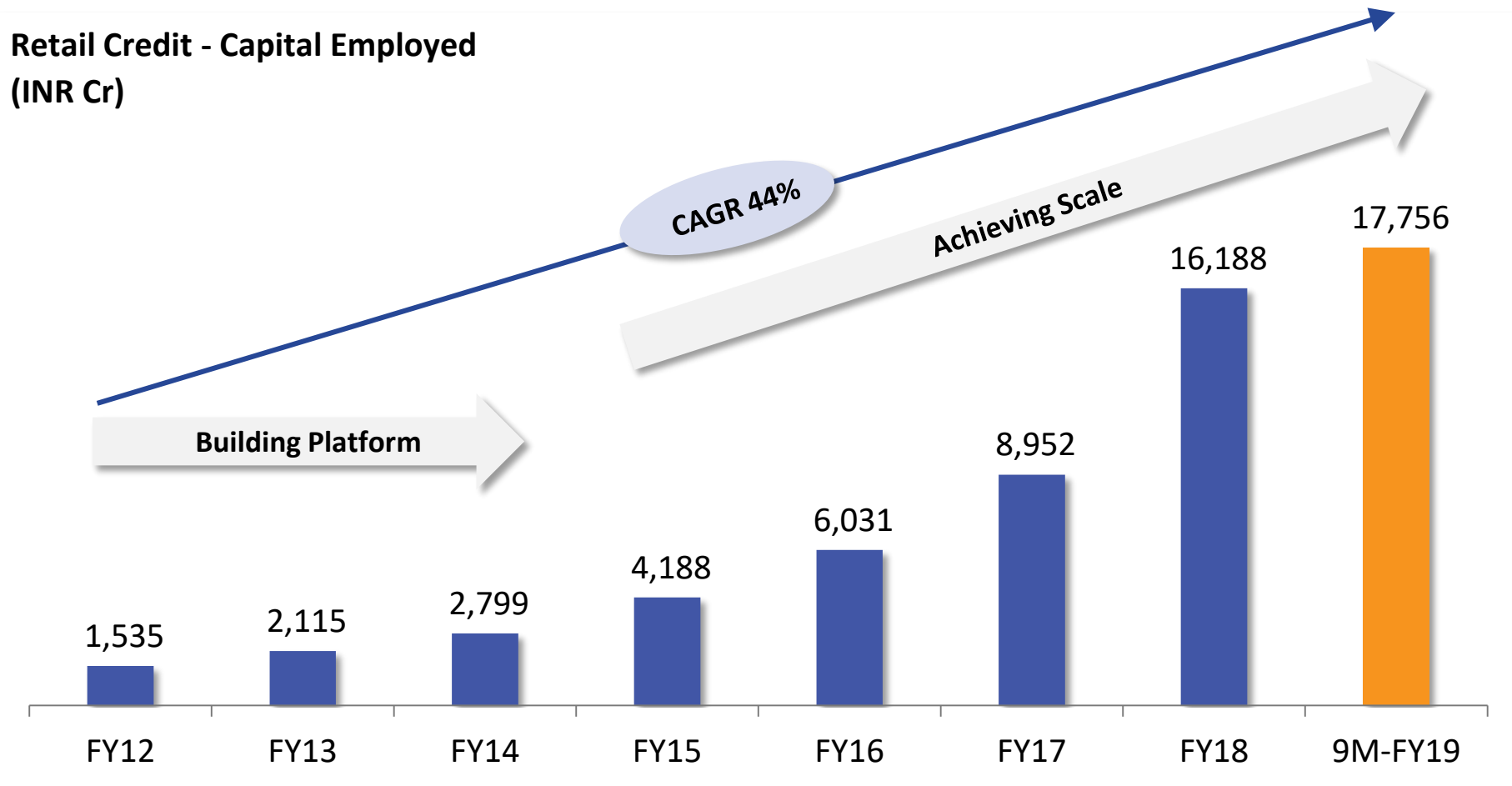
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Organization Building

Our Assets are becoming increasingly retail on the Credit side..

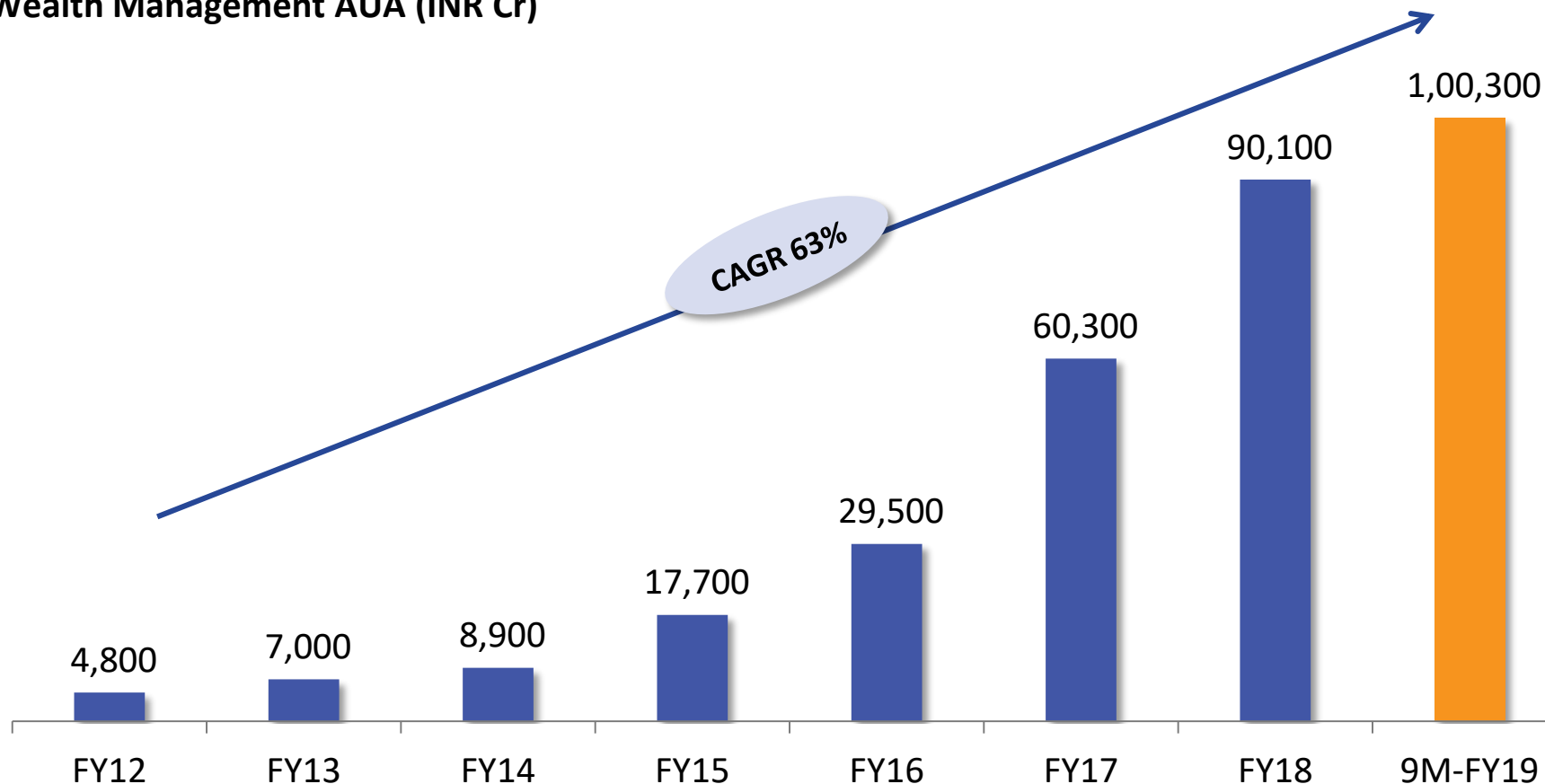


Retail credit is now 43% of the total credit book
Key vectors for our growth will be SME Loans and Retail Mortgages

.. And on the Wealth Management Side



Wealth Management AUA (INR Cr)

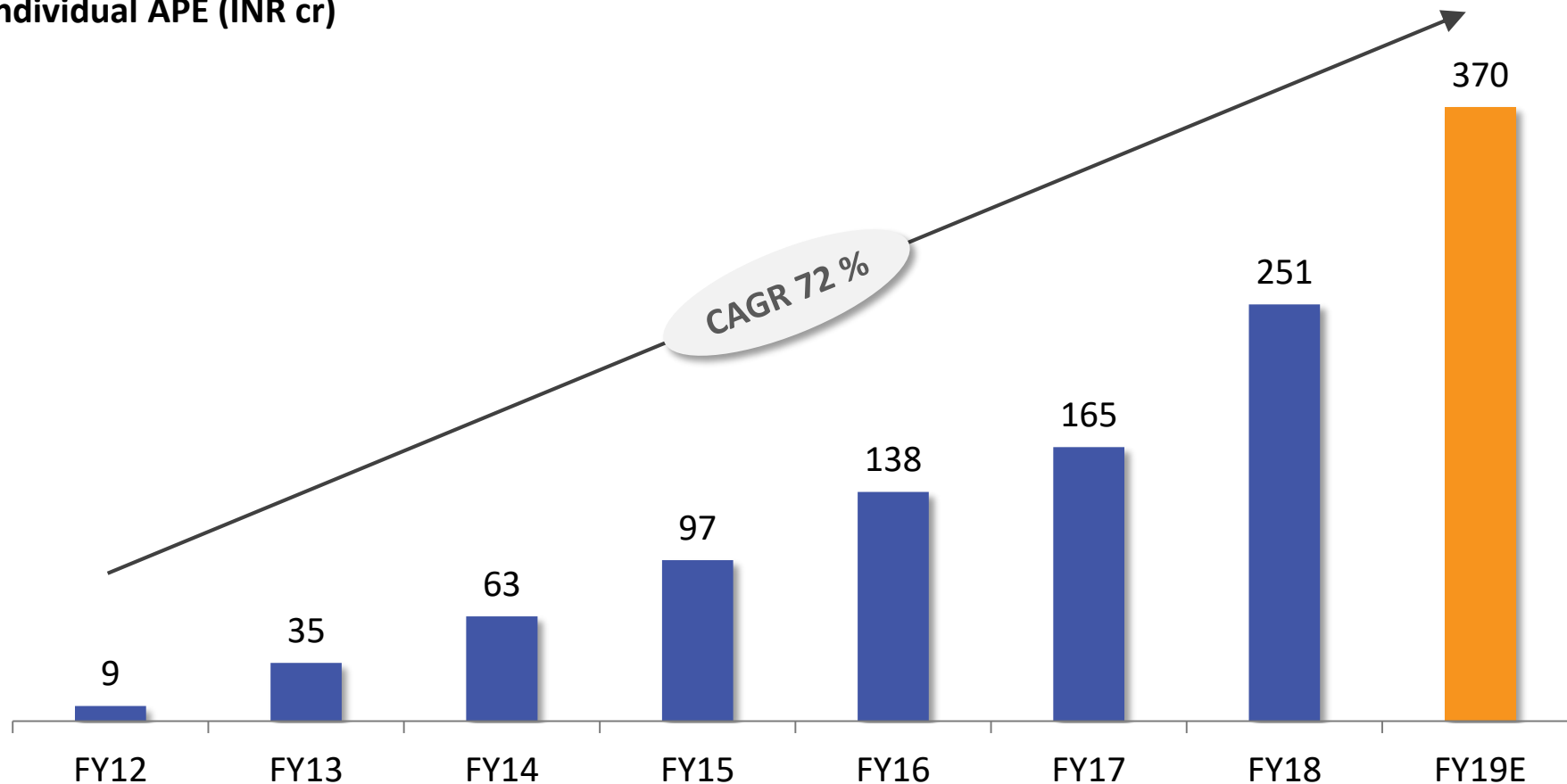


We cater to UHNI as well as the fast-growing Affluent segments

We are one of the fastest growing Life Insurance companies



Individual APE (INR cr)



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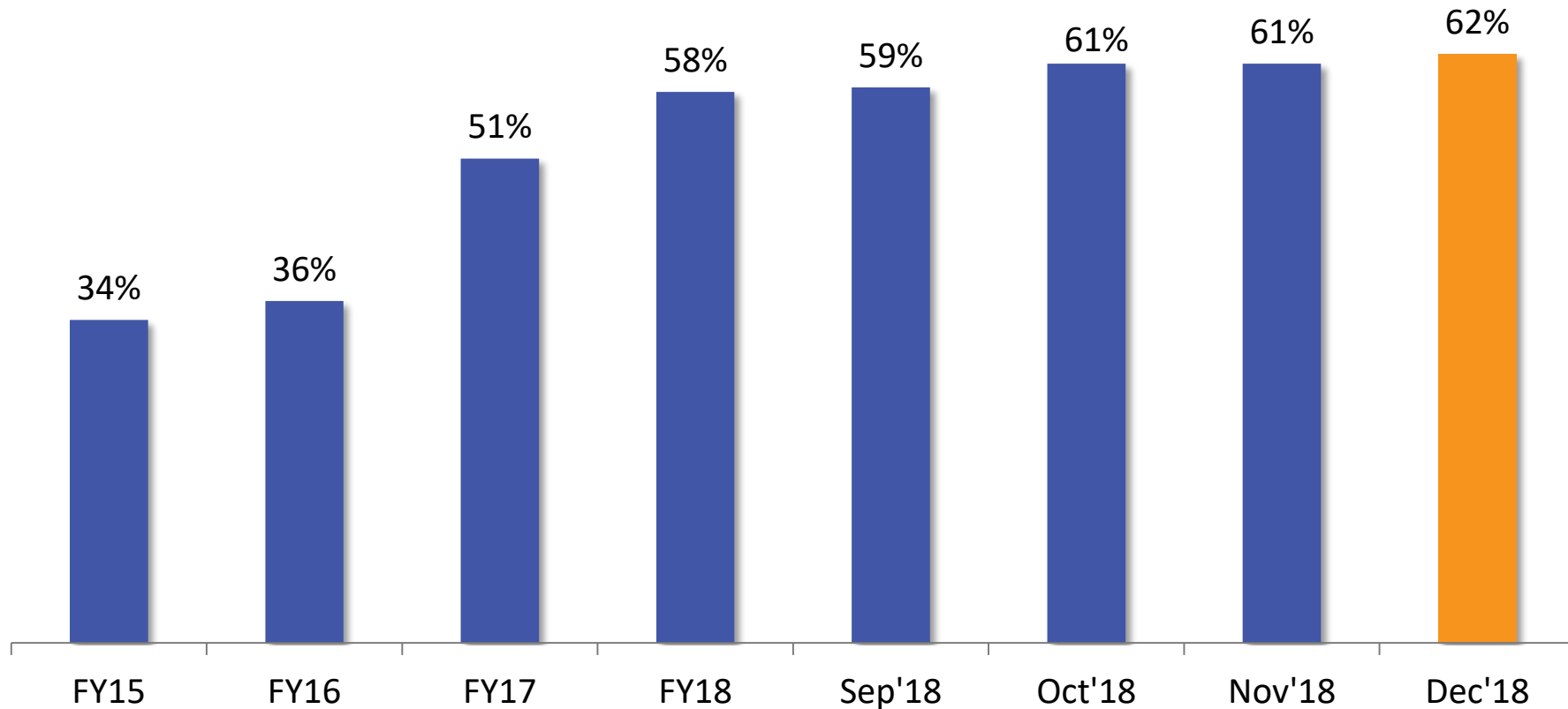
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Organization Building

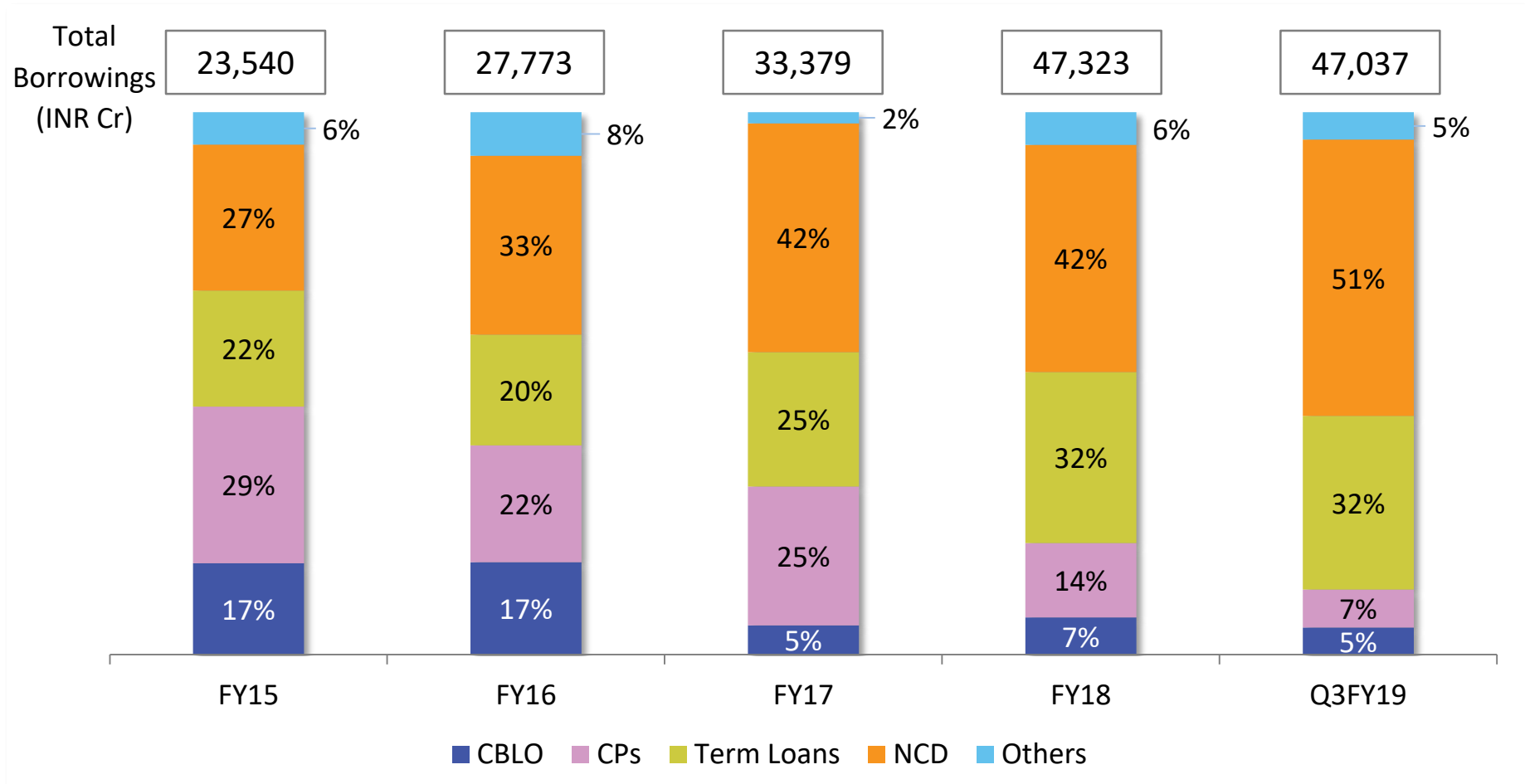
We have focused on enhancing the share of long-term borrowings..



% of total borrowings (excl. CBLO)

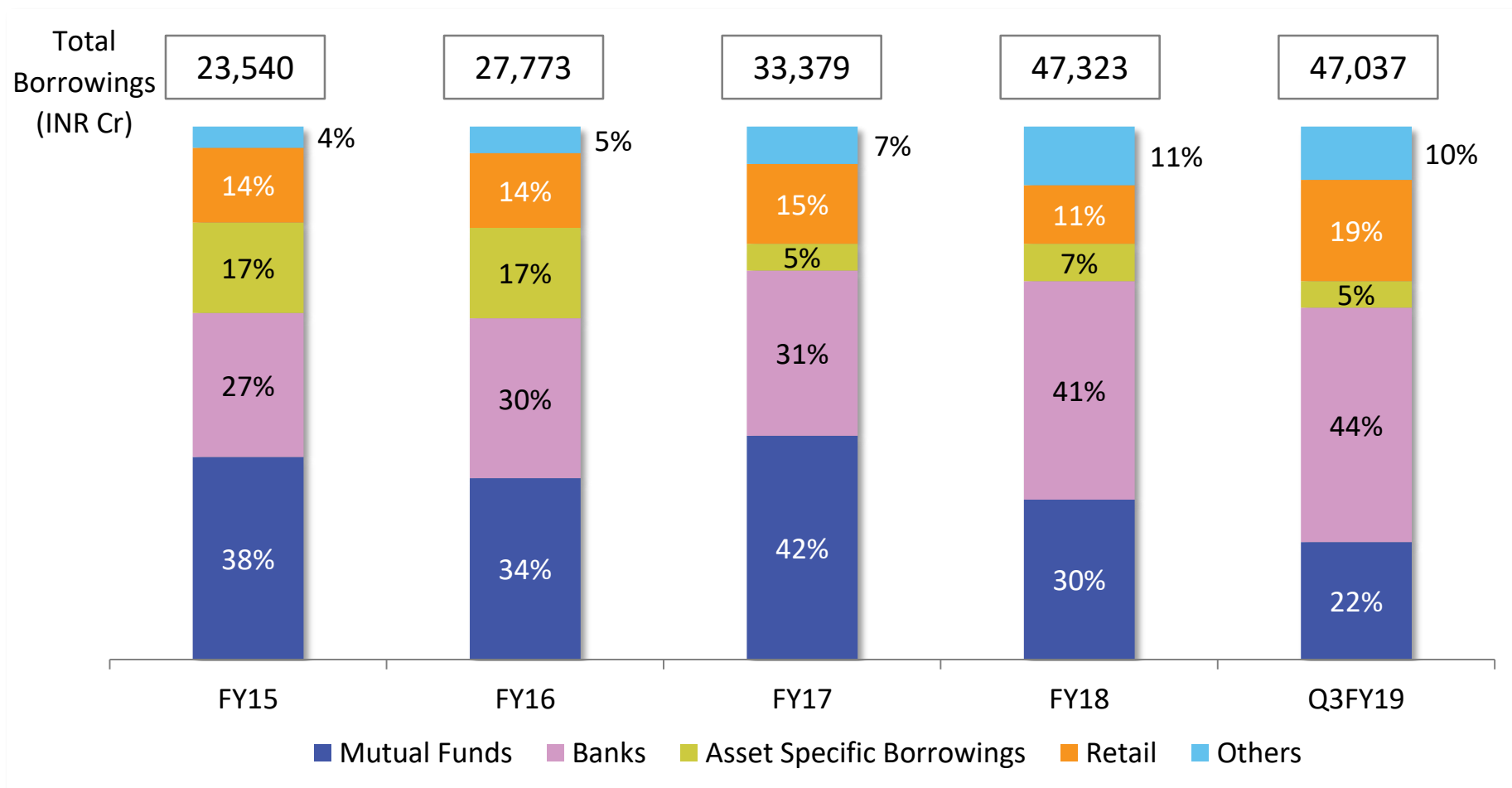


.. While diversifying the mix across instruments..



CPs are down to 7% of total borrowings

.. As well as Sources

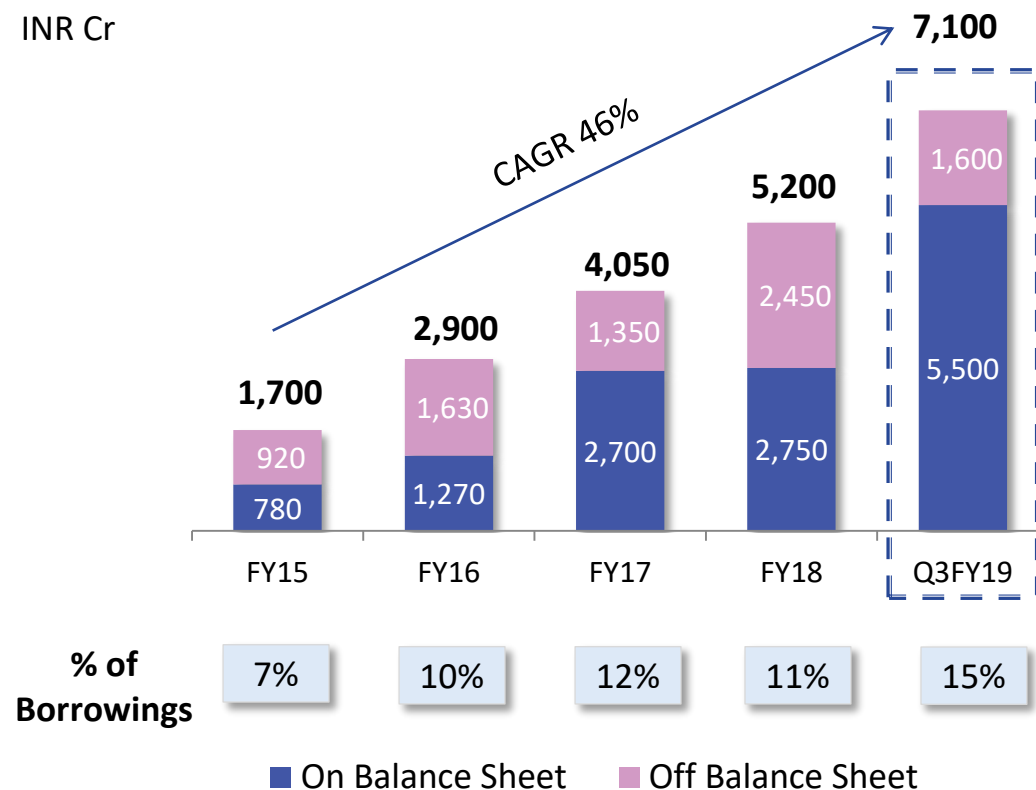


Mutual Funds are now 22% of total borrowings

We have also continued to maintain a significant Liquidity Cushion..

Liquidity Cushion

INR Cr



- Increase in on-book liquidity
- Government Securities, Mutual Funds etc.: INR 4,800 Cr
- Fixed Deposits and bank balance: INR 700 Cr
- Banking Lines: INR 1,600 Cr
- Validated the continuing emphasis on carrying excess liquidity this quarter

We aim to maintain a liquidity cushion of 11%-13% of Borrowings

.. In addition to Other Liquid Assets, which helped us manage the recent market dislocation



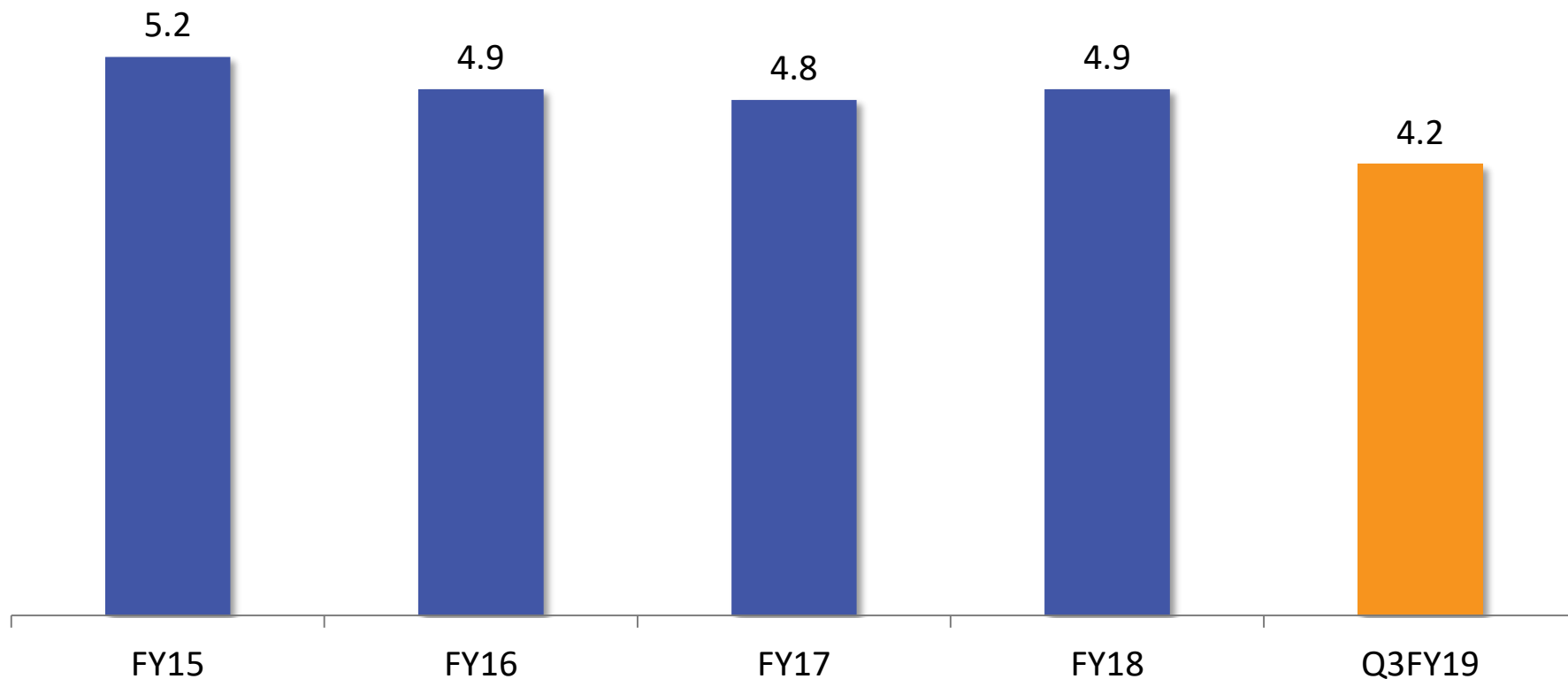
- Total balance sheet liquidity of INR 14,000 Cr, including INR 7,100 cr of Liquidity Cushion which can be converted into cash within 24-48 hours
- Other Liquid Assets (OLA) of INR 6,900 Cr, which includes our highly liquid treasury assets plus liquid credit assets; can be converted into cash within 30-45 days
- ~25% of the balance sheet can be converted to cash in 30-45 days

Our balance sheet has significant inherent liquidity, from both the liquidity cushion and OLA

Our Balance Sheet agility also helped us quickly bring down the DE in the current quarter



D/E (Ex BMU assets and episodic)



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Our Risk Principle...

Can we afford it? AND Is it worth it?



Oversight by Board Risk Committee

Global Risk Committee

Business

Business Risk

- Implementation of risk framework
- Continuous monitoring of risks
- First line of defense

Group Risk

- Define Organisation risk framework
- Risk aggregation and monitoring
- Risk culture
- Second line of defense

Enterprise Risk Management Council

- Review “High Impact & Low Probability” risk events
- Risk aggregation and interplay assessment

Corporate Controller & audit

This ensures prudent risk management and responsible growth



Enterprise risk management approach : 11 Risk Framework

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Our Framework is based on the United Nations Sustainable Development Goals



People Focused Goals



No Poverty, Zero Hunger & Economic Growth



Quality Education



Gender Equality

Planet Focused Goals



Affordable & Clean Energy

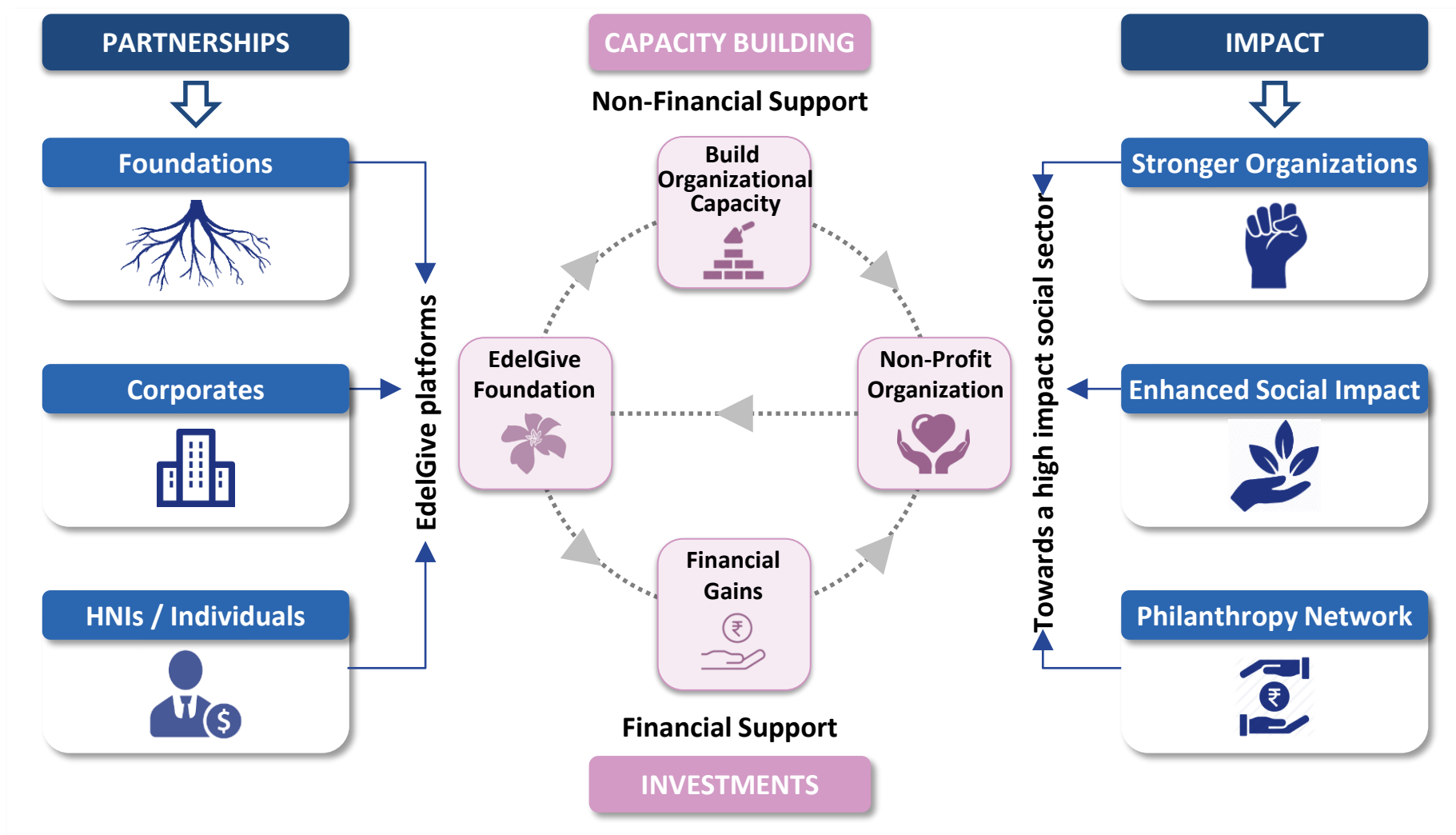


Responsible Consumption



Climate Support

EdelGive Foundation - Unique Philanthropic Platform



Focuses on Education, Livelihood and Women's Empowerment

EdelGive Partners



BILL & MELINDA
GATES foundation



FORD
FOUNDATION

TATA TRUSTS



ENTERPRISES
Insight | Intellect | Integrity

BOROSIL®



GREAT EASTERN
CSR FOUNDATION



SDMC Trust

CREDIT SUISSE



atDta

dalyan



VOLKART FOUNDATION
INDIAN TRUST



genpact

EdelGive Foundation - Key Metrics



Employee Engagement

Employee Engagement %	More than 60% engaged in financial and non financial giving
Man Hours spent till date	30,500 hrs
Field Visits till date	107

Capacity Building – Non financial support

Employees provided skills and time pro bono in over 90 projects till date

- Strategy and leadership
- Systems, processes and technology
- Financial planning
- Human resources

Grants and Funding

Cumulative till date

Grantees	More than 95 NGOs
Funds Committed	> INR 180 Cr
Presence in Indian States	14 States
Funding Partners	114

Strong and Diverse Board of Directors with Rich Experience



Mr. K Chinniah

- Served as Managing Director & Global Head Infrastructure, Portfolio, Strategy & Risk Group with GIC Special Investments



Mr. P N Venkatachalam

- Banking sector expert and former member of the Interim Pension Fund Regulatory Authority of India
- Former MD, State Bank of India



Mr. Navtej S. Nandra

- Served as President of E*TRADE Financial Corporation.
- Prior to this he served as CEO for Morgan Stanley Investment Mgmt Inc. and COO for Wealth Management at Merrill Lynch



Mr. Berjis Desai

- An independent legal counsel engaged in private client practice.
- Retired as Managing Partner at J. Sagar & Associates



Mr. Biswamohan Mahapatra

- Former RBI Executive Director, chaired various committees of RBI
- Handled varied areas of banking regulations, policy and supervision



Mr. Ashok Kini*

- Former Managing Director (National Banking Group) State Bank of India.
- Served as an advisor to the Thorat Committee on Financial Inclusion at RBI
- 35 years of banking experience

- 300 + years of collective work experience across multiple fields
- Key board committees like audit and remuneration consist almost entirely of Independent Directors

*Appointed with effect from 1st April 2019



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Organization Building

Underlying all of this is our constant endeavour to build a High Quality Organization



1

Human Resources & Leadership Development

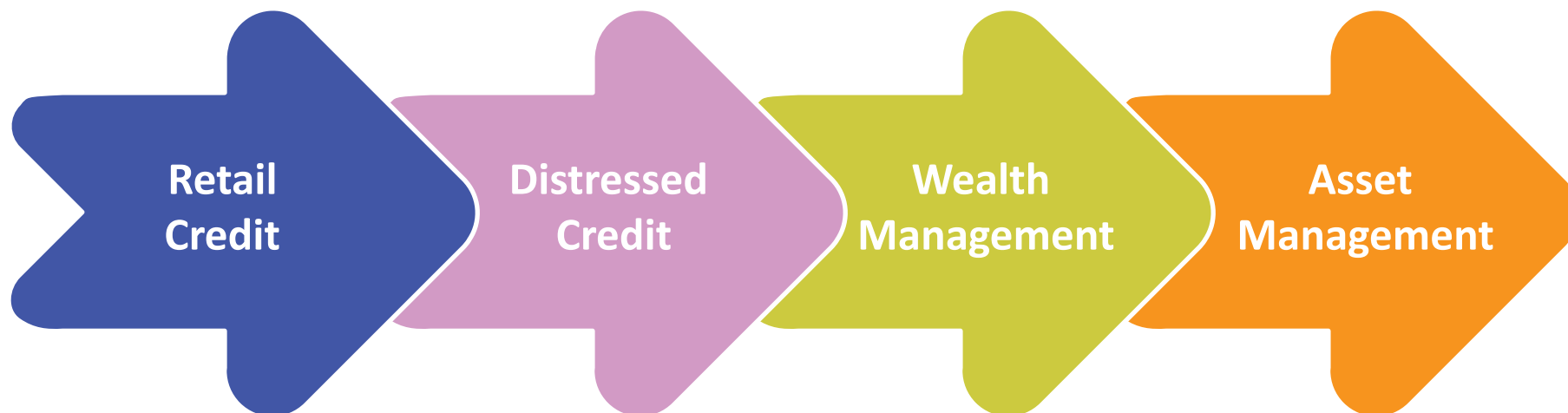
2

Culture of Ownership

3

Entrepreneurial Mindset

Going forward, our growth engines will be..



**All of our businesses are benefiting from India tailwinds
Our business model is a play on India's structural growth and not cyclical**